

## **Statement By:**

**Robert Rynning**

**Kennedy, MN**

Hello. My name is Robert Rynning. I farm with my brother Tim in Northwestern Minnesota near the towns of Hallock and Kennedy – 20 miles from the Canadian border. We raise wheat, barley, soybeans, and canola.

I would like to thank the committee and the chairman for inviting me here today to give my input.

The first thing I would like to address is the question of what are the affects of the current farm program. I believe that the basic structure of the existing bill is sound and that the 2002 Farm Bill is a good bill, but it is not able to do all it was supposed to do. The bill was not balanced between the various crops as well as it could have been. Some crops were treated better than others in their payment rates, or support levels.

Farmers are still at a huge financial risk if they have production shortfalls. The farm bill and crop insurance programs combined do not have the ability to save many farmers from weather related catastrophes. In 2005 my region suffered excessive rains that caused extensive flooding and crop loss. Much of the land was too wet to plant and the land that was planted did not produce very much. Even with government payments, crop insurance, and some crop to sell, my brother and I lost \$238,000.00 off our working capital because of crop production losses. This is one reason our region is in dire need of a crop loss disaster program for the 2005 crop year. The need for the same type of disaster program seems to be raising its head across the country for the 2006 crop year. It looks to me as though some consideration should be given to inserting a permanent crop loss disaster program as part of the next Farm Bill.

The discussion over the direction of our next Farm Bill should be quite interesting. I believe an extension of the existing bill, or a slightly modified version of it, may be the most workable in the short term. Changes dictated by a possible conclusion to WTO negotiations would best be addressed once we know all the details of an agreement. Preempting an agreement with unilateral changes to our farm program may not be a good idea. Another possibility is that the entire Doha Round fails and we would then have the

existing WTO rules to contend with. When the whole WTO issue has been sorted out then the Green Box verses other payment methods may be discussed with much more clarity.

Because one of the biggest factors affecting the northwest region of Minnesota has been the disastrous weather cycle, I feel the need to return to the issue of a crop loss disaster program. The income received from the federal farm program is important to most farmers, but you also must produce a crop. During the last 15 years Northwestern Minnesota has suffered through a cycle of weather extremes...too wet, too cold, too hot, too dry. Crop insurance can not carry many farmers through the bad stretches any more. Our farm had survived for almost eighty years without crop insurance. Even through the dirty thirties and other weather related problems, our family was able to make it by self-insuring their crops. But our great-grandfather, grandfather, and father, all seemed to have had their more prosperous times to build a financial buffer. Our great grandfather farmed through the agricultural boom days during WWI. Our grandfather saw very good prices after WWII, like receiving \$2.55 a bushel for barley in 1948, or \$5.70 a bushel for flax in 1949. Many of the veterans returning from WW II paid for their entire farm with the profits from that flax crop. Even our father had a very good stretch of prices for wheat from 1973 to 1975. When you adjust for the value of the dollar our prices received today are not even close to where they were then. Even the old magical \$5.00 per bushel mark for wheat starts to lose its shine with today's input costs.

My brother and I started carrying crop insurance in 1988 and we have carried it ever since. We have a much tighter margin than our forefathers experienced and when we have to bare multiple years of crop loss we do not have the same buffer of equity to fall back on. Not only has crop insurance become vitally important, but our area has experienced so many years of losses that our coverage has eroded to the point that crop insurance indemnities alone, without a disaster program, can not cash flow our farm. That is why we have such a need for a 2005 crop year disaster program and why I feel that a permanent crop loss program as part of the farm bill would be a good idea.

As you can see from my comments I am very concerned over the lack of a crop loss disaster bill up to this time. I am still interested in what form the next farm bill may take

but many farmers in my county and neighboring counties may not be farming through the 2007 crop year, so they may have more immediate concerns.

I would once again like to thank the chairman and members of the committee for allowing me to testify here today.

Thank You, Mr. Chairman,

Robert Rynning